

## **Virginia Motor Vehicle Fuels Sales Tax (MVFST) Fact Sheet**

### **Issues:**

- What is the MVFST?
- What impact does the Governor's proposed transportation funding bill have on the MVFST?

### **Background:**

- The MVFST is a 2.1% tax on sales of motor fuels by distributors to retailers in localities that are part of the Northern Virginia Transportation District or the areas served by the Potomac and Rappahannock Transportation Commission.
- The tax generated \$78 million in FY 2012. Revenue from the MVFST remains within the transportation districts where the tax is levied.
- The MVFST is currently administered by the Department of Taxation. However, legislation enacted in 2012 (2012 Acts, chs. 217 and 225) will transfer administration to DMV effective 7/1/2013.

### **How the Governor's Bill impacts this tax:**

- Currently, only fuels that are subject to the statewide fuels tax are also subject to the MVFST.
- However, as drafted, the Governor's proposal includes statutory amendments to the MVFST that will preserve the status quo for that tax.